

A STUDY ON SATISFACTION, PERCEPTION AND EXPECTATION LEVEL OF INSTITUTIONAL CONSUMERS TOWARDS PAINT BRANDS IN AL-KHARJ REGION, KINGDOM OF SAUDI ARABIA

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Abstract

Paint marketing has transitioned as a commodity to a consumer product, which spurs marketers to be proactive in chalking strategies to enable them to have competitive advantage. Consumer is largely categorized into two major segments i.e. consumer market and institutional market. This research paper explores expectation, perception and satisfaction level of institution segment which comprises mainly of painters, contractors etc. Paint companies are emphasizing in creating and building long term relationship. On the other hand institutional consumers look for brands which have quality, better service and more important competitive price. Al Kharj is a city of future in the Kingdom of Saudi Arabia, growing socially and economically at a rapid speed. Paint brands are eyeing this rich market as it grows. In paint, price war which is a tool in gaining business in bulk segment, companies are also collaborating with the paint professionals for technical support, preparing feasibility report, guidance in project management in perspective of paint product. This research paper will help paint companies to understand where they are currently and where they are supposed to go with understanding their competitors marketing plan especially in Al Kharj region. A gap analysis will be a further scope of research in paint business.

Keywords: Institutional Consumers (painters, contractors etc.), expectations, perceptions, satisfactions, paint brands, Al Kharj

1.Introduction

Saudi Arabia is the largest economy of the Middle East. It possesses around 25% of all known hydrocarbon reserves. According to International Monetary Fund data; 30% GDP of the country, 90% of government revenues and 91% of all exports is put in by oil reserves.

Saudi Arabia has very wisely used the revenue generated from its oil reserves for economic growth and longtime financial security of the country. The Saudi Arabian Government is currently focusing on industrial diversification to reduce its dependence on oil revenues. To achieve this, Saudi Govt. has invested various sectors like cement, telecoms, financial services, automobiles, electronics and petrochemicals. The construction industry is also prospering and in the past decade it had growth rate of around 5%. To encourage the industry the government has provided a range of incentives. Eight industrial estates have been established which have the necessary infrastructure. Credit is also given to private companies on generous terms.

The Kingdom has adopted a free market economic model, thus the financial, industrial and trade sectors of the economy have made rapid progress. The Government plays a major role in the Kingdom's industrial activity through the public sector, but in recent years the involvement of private sector has increased due to Kingdom's system of free enterprise. All this has resulted in industrial development and diversification.

The Saudi Paint Industry focuses on product development through regular research & development, ongoing improving customer satisfaction level etc. in order to gain market share. According to Mathur (2011) Customer satisfaction is a measure of how products and services supplied by a company meet or surpass customer expectation. Customer satisfaction is defined as "the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services exceeds specified satisfaction goals."

Present study includes the following paint brands available at Al Kharj region, Kingdom of Saudi Arabia:

- Al-Jazeera Paints
- Jotun Paints
- Sigma Paints
- Hempel Paints

Al-Jazeera Paints was founded in 1979 in Riyadh. The company currently produces 200,000 tons per year of diverse array of quality products. **Jotun Paints** Industry was established in Sandefjord, Norway in 1926. Jotun Paints holds 9th rank amongst the biggest paint companies worldwide. Jotun Paints is a privately owned company. **Sigma paints** Industry was established in 1722, Sigma Paints is recognized as one of the leading brands in the

Decorative, Marine and Protective market segment in the Middle East's paints and coatings industry. **Hempel** is a world-leading coatings supplier for the decorative, protective, marine, container and yacht markets. Hempel's coatings can be found on a range of structures ranging from villas to sports stadiums and hospitals.

2. Literature Review

Institutional consumers in Paint industry are typically consuming paint for business purpose. They buy in bulk. These consumers have strong product knowledge and are thorough professionals. Most important factors in decision making process are economy of use, value, technical aspects, availability, alternatives etc. Today, the term customer satisfaction is frequently used in marketing research. Customer satisfaction is known as the customers whose testified experience with products (or services) tops identified goals of any organization. As per Sheldon et al, (1991) product costing is defined as a process of cost estimating of an ending product at planned stage". During the year 2006 Ulaga and Eggert stated that the manager identifies direct product costs. According to the Whitney (1987) the predominant percentage of manufacturing cost of a product is resolute at product planed phase". As per Selnes (1993) a positive effect of product quality on customer satisfaction whereas the outcome on customer loyalty clearly lacks experimental support in the business-to-business context".

As per Pirsing (1992) "quality as excellence means that it is understood ahead of dimension as a direct experience independent of and prior to intellectual abstractions". Ulaga (2003) Compared to product quality, empirical support for delivery performance as a predecessor of satisfaction and loyalty is even more uncertain. As per Blackstone and Cox (2005) lead time is defined as time between placing an order and the receiving of the goods. As per Turban et al. (2002) "customer service is a series of activities designed to enhance the level of satisfaction of customer. According to Kim, Park and Jeong (2004) "customer service is a system of activities of a company or organization that comprises customer support system, complaint processing, speed of complaint processing, ease of reporting complaint and responsiveness when reporting grievance. Cova et al (1996) developed a concept that is "the variety of the personal interaction in project business relationships has been recognized at the community level in terms of relevant actors in the project marketing environment".

As per Patterson et al (1997) the research on satisfaction has mostly been carried out in consumer markets, while not so much is known about satisfaction and its antecedents in business-to-business markets.

Customer perception is defined as the way that the customers usually view or feel about certain services and products.

Customer expectation will be influenced by consumer perception of the product or service and can be created by previous experience, advertising, hearsay, awareness of competitors, and brand image. As per Zeithaml et al (1993) identified major antecedents of consumer expectations of services. According to the Bitner (1990) and Cronin and Taylor (1992) the consumer expectations prior to a service encounter impact customers' evaluation of service performance and customer satisfaction. As per Tolman (1932) the customer expectations are predictions made by customers concerning what they believe will be the outcome of a service transaction or exchange.

3. Objective of the study

Following are the objectives of this research paper:

- To make an analysis of satisfaction, perception, expectation level of Institutional consumers in Al Kharj region
- To make comparative analysis of various variables of paint through marketing perspective.
- To identify opportunities to improve the growth of Sales
- To make analysis how to build brand equity, perception of paints.
- To suggest various promotion mix strategies

3.1 Research Significance

The research significances of this study are as follows:

- To enable in making an optimum strategy for various paint companies.
- Able to map Strengths, Weaknesses, Opportunities and Threats in paint industry with reference to marketing and sales.
- To devise strategies for product differential in builders, contractors and painters segment. For example value added services, color therapy, quality, packaging, communication, event marketing, consumer pull, dealer push, innovation, corporate identity, effective advertisement, Brand recall, agility, responsive to customer, store location etc.
- Analysis of institution / government segment.
- Understand the buying behavior of institutional consumer at retail level.

4. Research Methodology

The questionnaires developed by Researchers for collecting information. It is purely on primary data, analysis through questionnaires and interviews.

Sampling Area - The study conducted on the following respondents i.e., Painters and Contractors in Al Kharj Region.

Population: All the Painters and Contractors using the Paints in Al Kharj Region.

Sample size: The research focused on the participants who are willing to participate.

Sampling Design: The sample is designed by the convenience sampling method. Sample of customers are taken from Institutional consumer (contractor and Painter). In this study institutional consumers are defined as contractors and painters only.

Interview and questionnaire techniques are used for getting information. Respondents are contacted by research investigators directly to conduct the interview and filling the questionnaire.

After completion of data collection, we used the appropriate statistical techniques like graphical presentations, descriptive statistics for analyzing the data.

5. Result and Findings

5.1. Demographic Profiling of Respondents (Contractors and Painters regarding Paint Brands)

S. No.	Demographics		Frequency	Percentage
1	Age	≤ 30 years	5	16.7
		30 - 40 years	9	30.0
		40 - 50 years	8	26.7
		≥ 50 years	8	26.7
2	Location	Urban	30	100.0
		Rural	0	0.0
3	Qualification	School	4	13.3
		Graduation	9	30.0
		Post-Graduation	3	10.0
		Professional(Vocational	11	36.7
		Others	3	10.0
4	Income per month (in SAR)	≤ 5000	25	83.3
		5000-10,000	5	16.7
		10,000-20,000	0	0.0
		≥ 2000	0	0.0
5	Occupation	Contractor	10	33.3
		Painter	20	66.7

The aforementioned table illustrates that the majority age group of consumers are between 30 to 40 years. All respondents belong to urban area. Mostly respondents are having Professional (Vocational Training) level qualification. Most of the respondents income level is less than or equal to SAR 5000 which shows middle income group.

5.2.Average Consumption of Paint by Painters

Table1. Average Consumption per day in liters

Average per day in liters	No. of Respondents	%
≤ 50	5	25.0
50 – 100	12	60.0
100 – 150	2	10.0
≥ 150	1	5.0

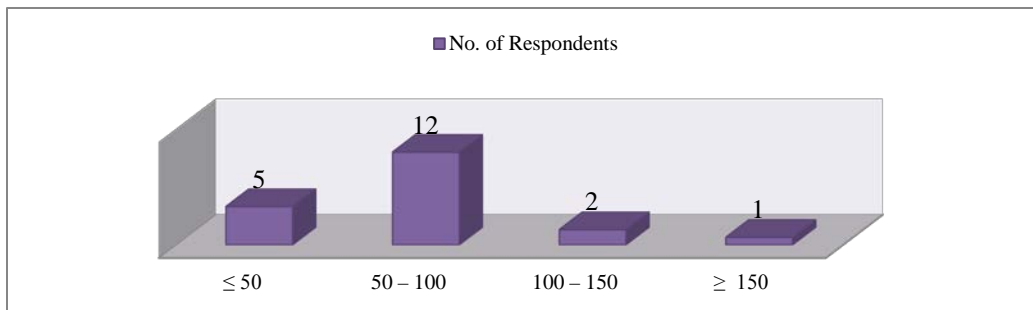


Figure 1. Average Consumption per day in liters

The above table 1 and figure 1 shows that the 60 % respondents consume 50-100 liters paints per day. Only 5% respondents consumes more than or equal to 50 liters paints per day.

5.3. Average Consumption of Paints by Contractors

Table 2. Average Consumption per day in liters

Average per day in liters	No. of Respondents	%
≤ 200	4	20.0
200 – 400	3	15.0
400 – 600	0	00.0
≥ 600	3	15.0

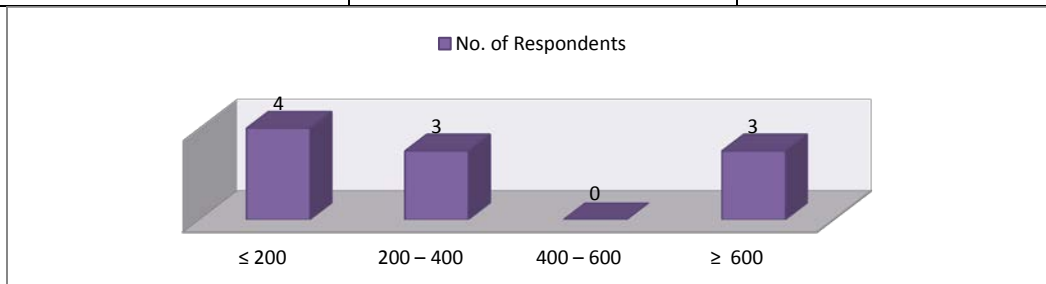


Figure 2. Average Consumption per day in liters

From the table 2 and figure 2 it is concluded that mostly respondents consume less than or equal to 200 liters paints per day. 15% respondents consumes more than or equal to 600 liters paints per day.

5.4.Awareness level of Paint Brands

Table 3. Awareness level of Paint Brands

Brands of paints	No. of Respondents	%
Al Jazeera	5	16.7
Jotun	12	40.0
Sigma	2	6.7
Hempel	7	23.3
Others	4	13.3

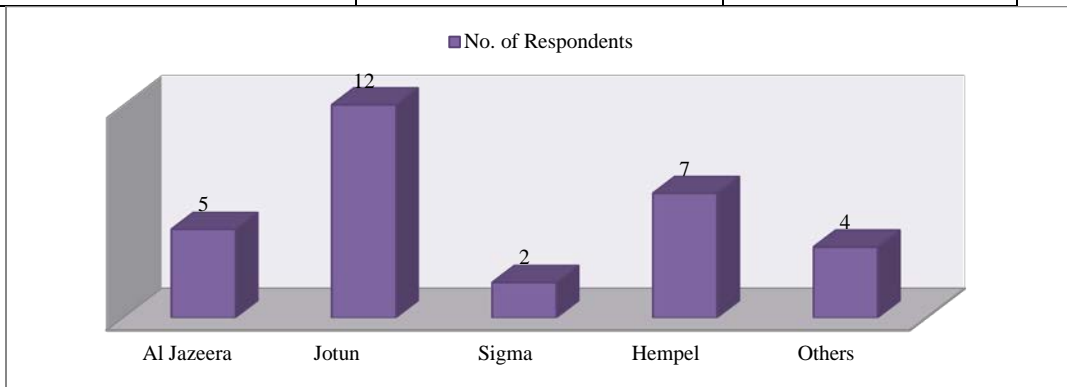


Figure 3. Awareness of brands of paints

From the table 3 and figure 3 it is concluded that the top of the mind recall is enjoyed by Jotun paint followed by Hempel and Al Jazeera respectively.

5.5.Consumption Brand Wise

Table 4. Consumption Brand Wise

Brands of paints	No. of Respondents	%
Al Jazeera	4	13.3
Jotun	11	36.7
Sigma	2	6.7
Hempel	8	26.7
Others	5	16.7

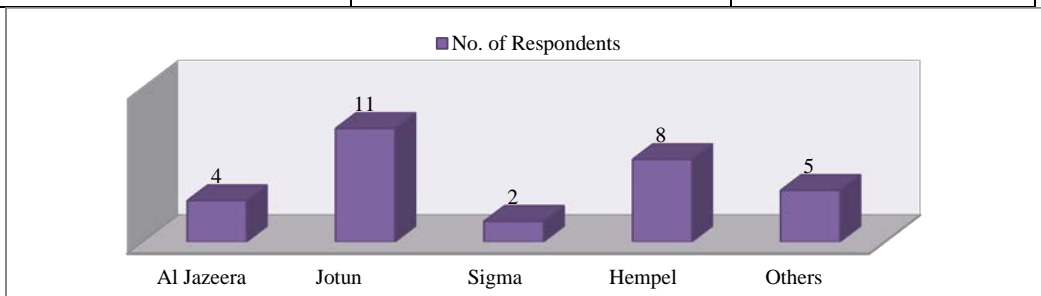


Figure 4. Consumption Brand Wise

It is observed from aforementioned table 4 and figure 4 that the normally high brand awareness outputs high brand sales and this is what shows in this finding.

5.6. Satisfaction level of Institutional Consumers (contractors and painters) through Various Variables Present in a Paints

Table 5. Satisfaction level of Consumers

Items	Excellent	Good	Neutral	Bad	Very
Product Quality / Durability	23	6	1	0	0
Price / Value	22	7	1	0	0
Easy to use	19	11	0	0	0
Easily Available	20	10	0	0	0
Wide range of colors with catalogue	18	9	3	0	0
High profit margin	7	18	4	1	0
High Advertisement	14	12	4	0	0
Good attractive Packaging	13	11	5	1	0
Brand name / Company reputation	11	15	4	0	0
Technical service available	10	15	4	1	0
Gifts & Giveaways from Company	11	11	4	3	1
Bonus and Incentives	12	9	4	2	3
Social Responsibility	15	8	4	3	0

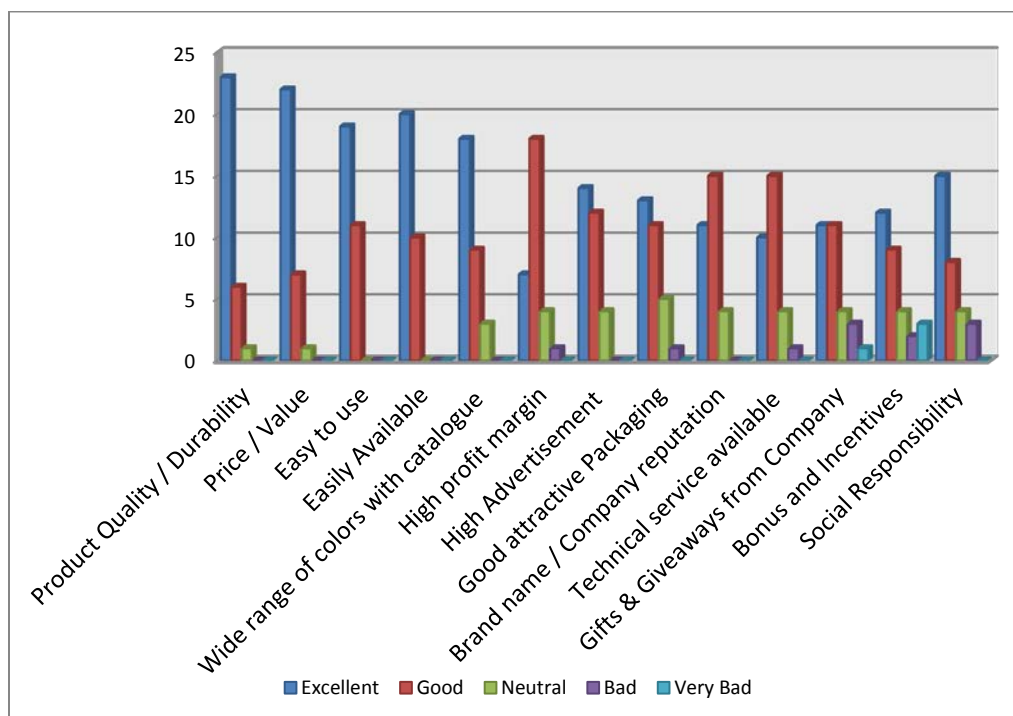


Figure 5. Satisfaction level of Consumers

Table 5 and figure 5 illustrate that the Institutional Consumer needs specific paint color, features, sizes, quality, price etc. Customer always prefers quality in any respect whether it is Service level, product quality, Price, Easy to use, wide range of colors, social responsibility etc. Quality and price is the major factors in influencing brand choice.

Table 6. Descriptive Statistics of Satisfaction level of Consumers

Items	Mean	Std.	t	df	Sig. (2-
Product Quality / Durability	1.27	0.52	13.32	29	.000
Price / Value	1.30	0.53	13.31	29	.000
Easy to use	1.37	0.49	15.27	29	.000
Easily Available	1.33	0.48	15.23	29	.000
Wide range of colors with	1.50	0.68	12.04	29	.000
High profit margin	1.97	0.72	14.99	29	.000
High Advertisement	1.67	0.71	12.84	29	.000
Good attractive Packaging	1.80	0.85	11.64	29	.000
Brand name / Company	1.77	0.68	14.25	29	.000
Technical service available	1.87	0.78	13.17	29	.000
Gifts & Giveaways from	2.07	1.11	10.18	29	.000
Bonus and Incentives	2.17	1.32	9.02	29	.000
Social Responsibility	1.83	1.02	9.85	29	.000

Table 6 shows the mean scores, standard deviation, t-values. It is evident from the table that all the statements are significantly different from test value (test value=0).

5.7.Brand Perception in Paints

Table 7. Brand Perception in Paints

Features	Al Jazeera	Jotun	Sigma	Hempel	Others
Good Quality	5	15	0	8	2
Price with Value	8	12	0	9	1
Easy to use	9	11	2	8	0
Easy to Available	13	7	2	7	1
Wide range of colors with	10	11	3	4	2
High Advertisement	9	14	3	4	0
Good Brand	8	11	2	8	1
High Profit Margin	10	12	0	8	0

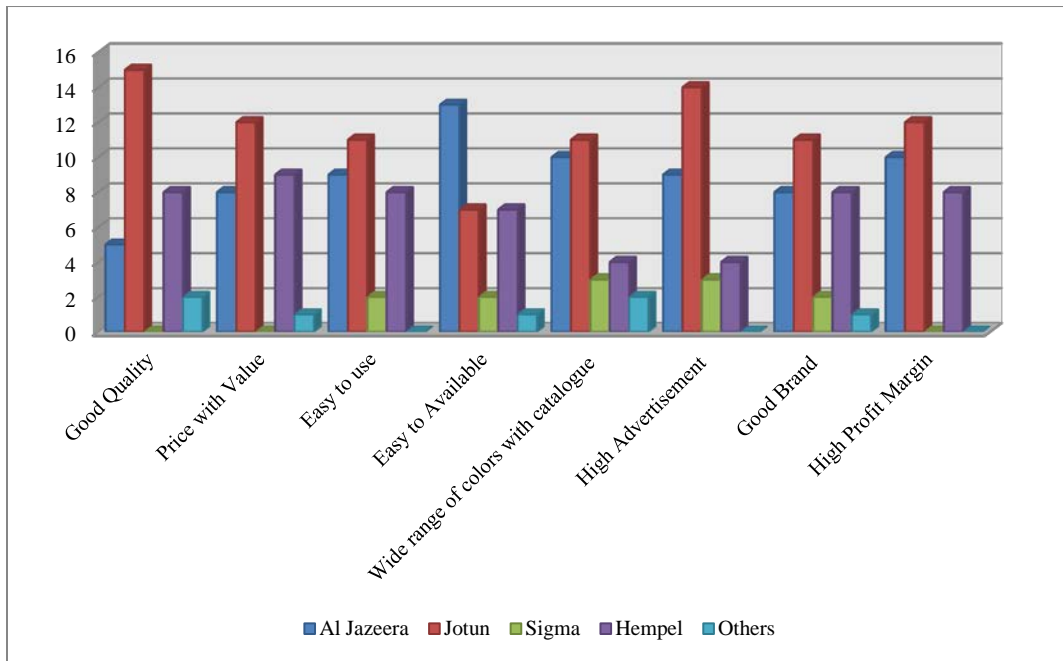


Figure 6.Perception of the brand of Paints

The results of table 7 and figure 6 highlighted that the generally customer perceives good quality/durability, best value for the price, easy to use, availability, wide range of colors, brand image etc. is all in Jotun brand.

Table 8. Descriptive Statistics of Brand Perception in Paints

Features	Mean	Std.	t	df	Sig. (2-tailed)
Good Quality	2.57	1.25	11.24	29	.000
Price with Value	2.43	1.28	10.43	29	.000
Easy to use	2.30	1.18	10.69	29	.000
Easy to Available	2.20	1.32	9.10	29	.000
Wide range of colors with	2.23	1.25	9.78	29	.000
High Advertisement	2.07	0.98	11.55	29	.000
Good Brand	2.43	1.25	10.66	29	.000
High Profit Margin	2.20	1.19	10.16	29	.000

Table 8 shows the mean scores, standard deviation, t-values. It is evident from the table that all the statements are significantly different from test value (test value=0).

5.8.Expectations of Institutional Consumer in Deciding a Brand Purchase

Table 9.Expectations of Institutional Consumer in Deciding a Brand Purchase

Features	Highes	Priorit	Neutr	Low	Lowe
Good Quality	25	5	0	0	0
Price with Value	20	6	4	0	0
Easy to use	14	14	2	0	0
Easy to Available	14	15	1	0	0
Wide range of colors with	16	11	2	1	0
Most Popular brand	14	12	3	1	0
High Advertisement	11	17	1	1	0
Good Packaging	10	17	3	0	0
Good Service	12	14	3	1	0
High Profit Margin	14	11	5	0	0
Customize Product	15	12	2	1	0
Innovative	16	13	0	1	0

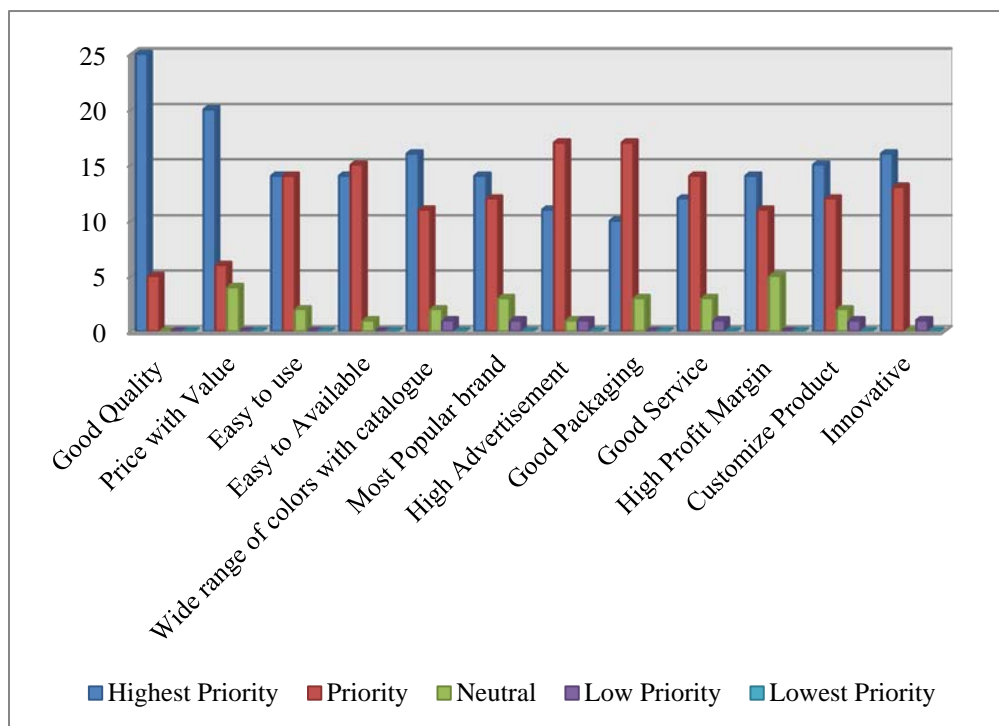


Figure 7. Expectations of Institutional Consumer in Deciding a Brand Purchase

From the above table 9 and figure 7 it is concluded that there is a solid relationship between variables favored by consumer with respect to satisfaction and expectation level. Mostly consumers has to offer top priority on quality, durability, competitive pricing, easy to use, wide range of color,

brand image , service, high profit margin, customized products and innovative in order to be a preferred brand etc.

Table 10. Descriptive Statistics of Expectations of Institutional Consumer in Deciding a Brand Purchase

Features	Mean	Std.	t	df	Sig. (2-
Good Quality	1.17	0.38	16.86	99	.000
Price with Value	1.47	0.73	11.00	99	.000
Easy to use	1.60	0.62	14.10	99	.000
Easy to Available	1.57	0.57	15.10	99	.000
Wide range of colors with	1.60	0.77	11.38	99	.000
Most Popular brand	1.70	0.79	11.72	99	.000
High Advertisement	1.73	0.69	13.73	99	.000
Good Packaging	1.77	0.63	15.46	99	.000
Good Service	1.77	0.77	12.50	99	.000
High Profit Margin	1.70	0.75	12.42	99	.000
Customize Product	1.63	0.76	11.70	99	.000
Innovative	1.53	0.68	12.32	99	.000

Table 10 shows the mean scores, standard deviation, t-values. It is evident from the table that all the statements are significantly different from test value (test value=0).

5.9. Most Preferred Paint Brand

Table 11. Most Preferred Paint Brand

Brands of paints	No. of Respondents	%
Al Jazeera	9	30.0
Jotun	12	40.0
Sigma	1	3.3
Hempel	6	20.0
Others	2	6.7

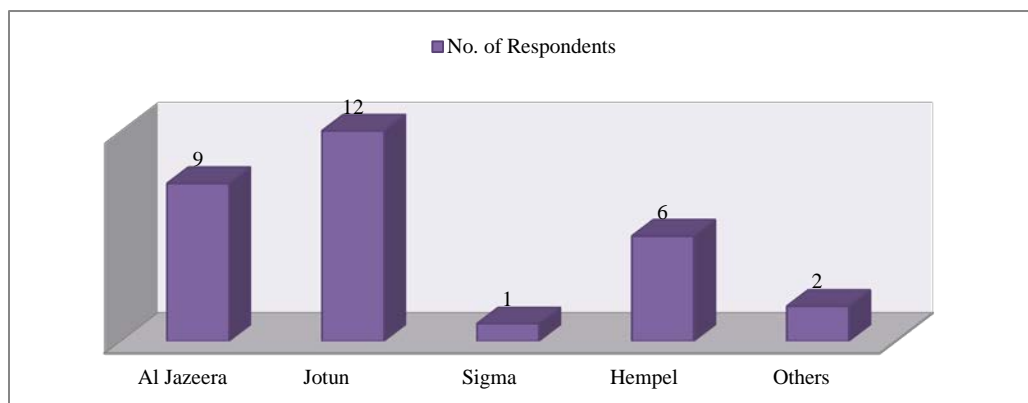


Figure 8. Most Preferred Paint Brand

From the table 11 and figure 8 it is found that Jotun paints tops as a brand leader (40%) followed by 30 % respondents' preferred Al Jazeera paints.

6. Recommendations/ Strategies

Based on study following recommendations are made:

- Paint Industry should communicate regularly with its regular bulk customers by using various communication tools such as by placing advertisement in mass media, by sending greetings card to the customers etc.
- Customer Service should be made more effective to fulfill customer requirements, like 24/7 technical support.
- Companies should use appropriate HR techniques to enhance the employees' loyalty. A Loyal employee will enhance productivity and will also serve the customer better.
- Companies should conduct the employee training programmes.
- Design of goods and services to be improved by investing in R & D department of the Industry.
- Transportation problems, inventory management, location and layout of Paint Industry should be optimized by using operation research techniques and software in order to get competitive prices to the regular bulk consumers.
- Companies should use electronic media for educating consumers regarding products and their reliability.
- Companies should remain informed of technological advancements taking place in paint technology which are happening globally.
- A customer feedback form is required to be developed to know their requirements. After knowing requirements and needs of customer product development and R& D spending could be better focused.

7. Conclusion

Most of the respondents of study prefer Jotun brand. Further the results shows that the respondents have rated Jotun Paints as most preferred brand because due to good quality, value for price, good packaging, and wide range. Products of Jotun paint meets international quality and are status symbol. The study has also revealed that customers while choosing a particular brand give highest priority to easy and quick processing of their orders and friendliness of employee. Painters and Contractors also influence in the consumer buying behavior and as such companies should formulate policies to keep these institutional customers happy. Studies pertaining to

institutional buying behavior are area to investigate in the future. Gap analysis will be a further scope of research in paint business.

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